

# Memorandum



CITY OF DALLAS

DATE November 30, 2012

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Ann Margolin (Vice Chair), Monica Alonzo, Jerry Allen,  
Sheffie Kadane

SUBJECT **Jefferson Tower Redevelopment; Council Agenda December 12, 2012**

## Background

On Wednesday, December 12<sup>th</sup>, City Council will be asked to consider economic development incentives for the proposed redevelopment of Jefferson Tower, located in the 300 block of W. Jefferson Blvd., in Oak Cliff.

For the past several months, City staff has been in discussions with Jim Lake Companies, Inc. regarding the potential redevelopment of Jefferson Tower in Oak Cliff by Jefferson Monument, LLC, a single asset entity controlled by Jim Lake Companies, Inc.

Built in 1928 and originally known as the Medical-Dental Building, Jefferson Tower pioneered much of the economic development along Jefferson Boulevard in the 1930's. The building's central tower, the first high-rise in Oak Cliff, rises up eight stories, with two penthouses above the eighth floor, a basement below, and two retail wings that extend to the East and West. Jefferson Tower is currently 60% leased.

The developer's strategy is to recapitalize Jefferson Tower and actively manage the leasing and costs. The developer will invest \$4,300,000 to acquire the property and \$3,960,000 (hard and soft costs) for retail renovation and finish out, facade renovation and the conversion/activation of 2nd floor over retail into 15 work/live lofts (700 square foot to 1,125 square foot) units. The addition of two 3rd floor roof top viewing decks, finish out of remaining office vacancies, paving of an additional parking lot, an architectural lighting package and a Jefferson Streetscape project will complete the development. Work/Live will put much-needed eyes on the street to improve and encourage pedestrian activity and increase area safety. These units will have an open concept, similar to the successful redevelopment at the Trinity Loft, with exposed construction material and can easily flex between being Work, Live or both. The streetscape will include planters, fountains, benches, awnings and an entertainment platform and gathering area. The addition of street level pedestrian and facade improvements will transform this historical block of buildings.

**Background Continued**

In order to ensure the project is viable, Jefferson Monument, LLC requests that the City Council authorize an economic Development Grant of \$1,500,000 to offset a portion of the project costs. In order for Jefferson Monument, LLC to receive the grant, it must invest a minimum of \$6,000,000 for the acquisition, redevelopment and other project related costs.

Based on Jim Lake's long-term holdings in the Oak Cliff area, along with his successful adaptive urban redevelopments at the Trinity Loft and International on Turtle, Mr. Lake is well positioned to turn around this city jewel and Jefferson Boulevard.

**Owner**

Jefferson Monument, LLC  
Jim Lake, Managing Partner

**Staff**

J. Hammond Perot, Assistant Director  
Christopher O'Brien, Sr. Coordinator

**Recommendation**

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3296.



Ryan Evans  
Assistant City Manager

- C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa Rios, City Secretary  
Tom Perkins, City Attorney  
Craig Kinton, City Auditor  
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Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Karl Zavitkovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Stephanie Pegues-Cooper, Assistant to the City Manager

# Jefferson Tower

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



Jefferson Tower  
301 W. Jefferson Blvd.  
Dallas, TX 75208

**DALLAS ECONOMIC DEVELOPMENT**  
Research & Information Division  
214.670.1685  
dallas-ecodev.org

**Legend**

- Freeway
- Highway
- Arterial
- Local Road

0 0.05 0.1 0.2 Miles

Source: City of Dallas, 2012

# Memorandum



DATE November 30, 2012

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Ann Margolin (Vice Chair), Monica Alonzo,  
Sheffie Kadane, Jerry Allen

SUBJECT **Jacobs Engineering Group Inc.; Council Agenda Item December 12, 2012**

## Background

On Wednesday, December 12, 2012 City Council will be asked to consider economic development incentives for Jacobs Engineering Group Inc. in consideration of the company consolidating and expanding into Downtown Dallas.

For the past several months, city staff has been in discussion with leadership at Jacobs Engineering Group Inc. (Jacobs) regarding the retention and potential expansion of its Dallas operations. Jacobs employs approximately 190 employees at two locations in Dallas: 7950 Elmbrook and 6688 N. Central Expressway. As part of an evaluation of its DFW area operations, the company considered multiple options; full consolidation of all regional employees in Dallas, partial consolidation in Dallas with a remaining presence in Fort Worth or a full consolidation of all regional employees in other area cities.

At the conclusion of negotiations, the following terms were agreed:

Jacobs will retain its approximately 190 employees currently in Dallas, add another 160 new jobs and invest a minimum of \$2,000,000 at the new consolidated Dallas offices to be located at 1999 Bryan (Harwood Center) and the City will provide a two-installment Economic Development Grant totaling \$300,000.

The terms of the proposed grant are as follows:

- Once the company makes the required \$2,000,000 investment in building improvements and reaches 300 employees by December 31, 2013, the City will make the first grant installment of \$250,000.
- Once the company adds another 50 employees (350 total) by December 31, 2014, the City will make the last grant installment of \$50,000.

This corporate expansion conforms to Public/Private Partnership Program Guidelines and Criteria as it creates or retains more than a minimum of 150 jobs at this Central Business District commercial zone site.

The retention and expansion of Jacobs Engineering Group, Inc. in Dallas will result in a positive net fiscal impact of approximately \$9,689,521 over 10-years after incentives. The projected 20-year net fiscal impact of the project is \$25,830,171.

Jacobs is one of the world's largest and most diverse providers of professional technical services. The company offers full-spectrum support to industrial, commercial, and government clients across multiple markets. Services include scientific and specialty consulting as well as all aspects of engineering and construction, and operations and maintenance. The company has 200+ offices in 25+ countries, and employs approximately 60,000 people globally.

### **Project Details**

**Project Site:** 1999 Bryan Street, Dallas, Texas

**Facilities:** 81,000 sq. ft. Existing office space at Harwood Center - 1999 Bryan Street

**Real Property Investment:** \$2,000,000

### **City Incentives**

**Economic Development Grant \$300,000**

### **Proposed Estimated Schedule of the Project**

Begin Construction October 2012  
Substantial Completion April 2013

### **Fiscal Information**

- Economic Development Grant: \$300,000 Public Private Partnership Program

### **Owner**

FPG-DMT Harwood, LLC

### **Staff**

J. Hammond Perot, Assistant Director  
Christopher O'Brien, Sr. Coordinator

**Recommendation**

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3296.



Ryan Evans  
Assistant City Manager

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J. Hammond Perot, Assistant Director, Office of Economic Development  
Stephanie Pegues-Cooper, Assistant to the City Manager

## Exhibit B

### Project Information Worksheet

### Economic Development Committee

#### A. Project Summary

<b>City Council District</b>	14 - Hunt	
<b>Project/Company Name</b>	Jacobs Engineering Group Inc.	
<b>Project Location</b>	1999 Bryan Street	
<b>Project Type</b>	Office	
<b>Facilities (Square Feet)</b>	80,000	
<b>Construction Schedule</b>	Begin	October, 2012
	Complete	April, 2013
<b>Private Improvement Investment</b>	Real Property	2,000,000
	Business Property	2,000,000
<b>Jobs</b>	Created	160
	Retained	190
<b>Average Wage Rate</b>	Salary	100,000
	Hourly	
<b>City Incentive Summary</b>	Tax Abatement	\$0
	Infrastructure	
	Other	\$ 300,000

#### B. Economic Impact Estimates (Dallas City Economy Only, \$ Million)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	350	\$ 596,353,664	350	\$1,405,194,661
Indirect and Induced Impact*	280	\$ 536,518,297	280	\$1,264,475,195
<b>Total Impact</b>	<b>630</b>	<b>\$ 1,132,871,961</b>	<b>630</b>	<b>\$2,669,669,856</b>

#### C. City of Dallas General Fund Fiscal Impact (\$ Million)

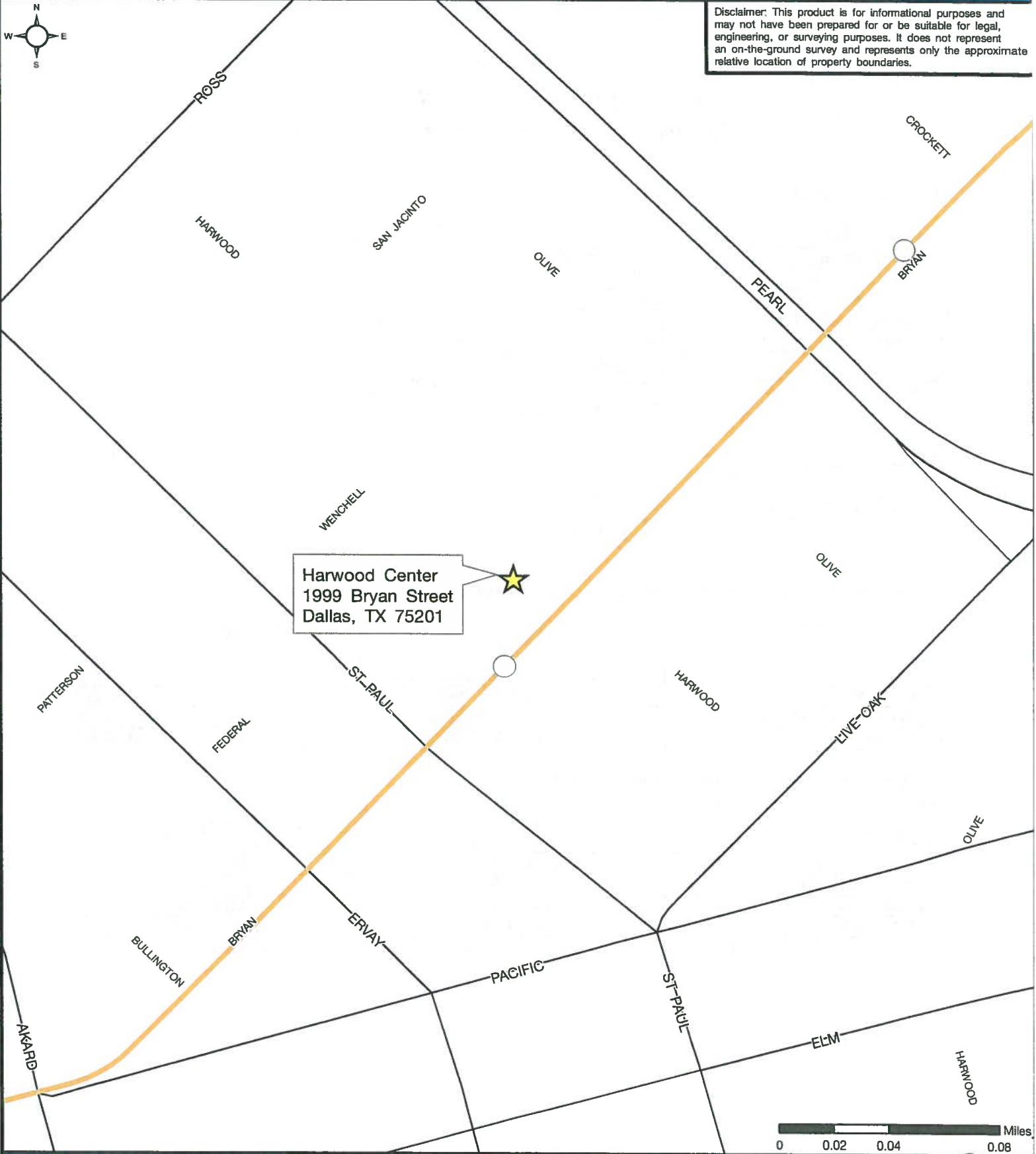
(From direct, indirect and induced economic impacts)

	10-Year	20-Year
Total City GF Revenue Generated	\$16,171,428	\$38,941,007
Total City GF Service Costs	\$6,181,907	\$12,810,836
Net Impact Before Incentives	\$9,989,521	\$26,130,171
City Incentives	\$300,000	\$300,000
<b>Net City Fiscal Impact</b>	<b>\$9,689,521</b>	<b>\$25,830,171</b>

\* Indirect impacts represent supplier effects, induced impacts represent spin-off household effects.

# Harwood Center

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DALLAS  
ECONOMIC  
DEVELOPMENT

Research & Information Division  
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## Legend

- Rail Station
- DART Light Rail

- Arterial
- Local Road

Source: City of Dallas, 2012



## Memorandum



**DATE** December 3, 2012

**TO** Members of the Economic Development Committee:  
Tennell Atkins (Chair), Ann Margolin (Vice-Chair), Jerry R. Allen,  
Monica Alonzo, Sheffie Kadane

**SUBJECT** Status and update on the Texas Historical Commission Programmatic  
agreement, January 23, 2013 Council Agenda

### **Background**

The City of Dallas, as a Texas Historical Commission (THC) recognized Certified Local Government (GLC), and the Texas Historical Commission have had a Programmatic Agreement (PA) since 1991 that has been consistently renewed every five years. The latest renewal was executed in August 2010 by City Council Resolution 101984. The PA allows the City's Department of Housing and Community Services to have projects that require a Section 106 review (including CDBG, HOME, MAP, and other housing projects funded by the Housing and Urban Development Department) to be administered and processed by the Department of Sustainable Development and Construction.

However, the original intent of the Programmatic Agreement was to enable the City to utilize consultant assistance in the processing of these Section 106 reviews. In recent years, budget reductions have eliminated funding for consultant services and therefore this responsibility has been absorbed entirely by Historic Preservation staff. Last year, over 700 determinations required staff review. These reviews are complicated, cumbersome and time intensive. Given the volume of cases, staff attention to these reviews has impeded progress on other priority projects in that failure to complete the required Section 106 reviews could result in HUD audits or penalties.

The Texas Historical Commission has recognized this burden and indicated that the current PA is more onerous than what is in effect for many cities in Texas. Most major Texas cities now rely on the THC staff in Austin for review and administration of these cases rather than relying on in-house staff.

Since this alternative resource is available, staff recommends terminating the current Programmatic Agreement. Termination will not affect the City's standing as a Certified Local Government nor the ability to apply for CLG grants and other funding sources. However it does allow the City of Dallas to utilize THC staff resources.

Status and update on the THC Programmatic agreement

December 3, 2012

Page 2 of 2

If City Council determines this is the appropriate course of action, the PA will terminate after a 30 day required notice and consultation period for both the Texas Historical Commission and the Advisory Council for Historic Preservation as well as approval by City Council.

Once the PA is terminated, future Section 106 reviews will be performed by the Texas Historical Commission to ensure compliance with all federal procedures and requirements. Additionally, the Department of Sustainable Development and Construction will continue to be available for consultation and coordination when necessary.

Should you have any questions or concerns, please contact me at (214) 670-3296.



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Assistant City Manager

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